

## Message Text

UNCLASSIFIED

PAGE 01 ROME 06429 080852Z

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 ICA-20 AID-05 EB-08 NSC-05  
SS-15 STR-07 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01  
INR-10 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 L-03  
H-02 PA-02 /110 W

-----056628 080853Z /21/15

R 071530Z APR 78

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1921

TREASURY DEPARTMENT WASHDC

UNCLAS ROME 6429

C O R R E C T E D C O P Y (ADDING EO, TAGS AND SUBJECT)

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJECT: TREASURY MINISTER PANDOLFI WARNS SENATE OF INFFLATION  
DANGER AND SAYS IMF LOAN TO ITALY OF HIGHEST  
IMPORTANCE

1. ON APRIL 6 MINISTER PANDOLFI MADE HIS FIRST APPEARANCE BBFORE  
PARLIAMENT AS TREASURY MINISTER IN CONNECTION WITH THE SUBMISSION  
TO THE FULL SENATE OF THE APPROPRIATIONS BUDGET FOR 1978. SINE  
THERE WAS NO TEXT OF PANDOLFI'S REMARKS, THE FOLLOWING IS BASED  
ON A REPORT IN LA STAMPA ON APRIL 7.

2. PANDOLFI SAID " I HAVE THE DUTY TO POINT OUT THAT DIFFICULTIES  
IN CONTROLLING THEMONETARY AGGREAGTES, PRICES, AND THE BALANCE  
OF PAYMENTS COULD ARISE IN THE LATTER PART OF 1978. "HE SAID  
IT WAS NECESSARY "TO INITIATE WITHOUT DELAY MEASURES THAT WOULD  
HAVE AN ENDURING (BENEFICIAL) EFFECT ON THE STRUCTURE OF PUBLIC  
FINANCE ". PANDOLFI WAS QUOTED AS SAYING, ALLEGEDLY IN CONNECTION  
WITH ITALY' SIMPROVED INTERNATIONAL CREDITWORTHINESS, THAT "  
THE GOVERNMENT ATTACHES GREAT INTEREST AND IMPORTANCE TO  
OBTAINING LOANS FROM THE INTERNATIONAL MONETARY FUND AND EUROPEAN  
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PAGE 02 ROME 06429 080852Z

ECONOMIC COMMUNITY. IN FACT I CAN ANNOUNCE THAT PRELIMINARY  
CONTACTS ON THE TIMING AND PROCEDURES FOR THE RELEVANT NEGOTIATIONS  
ARE IN PROGRESS." PANDOLFI CONCLUDED, STATING THAT "THE RECOVERY  
CANNOT BE FINANCED BY INFLATION. FUNDAMENTAL COURSE CORRECTIONS  
ARE NECESSARY IN THE FINANCIAL SECTOR AND IN PARTICULAR IN PUBLIC  
EXPENDITURE.HOLMES

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INFLATION, ECONOMIC CONDITIONS, BUDGETS, SPEECHES, LOANS, CENTRAL LEGISLATURE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ROME06429  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780164-0459, D780152-0241  
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**Handling Restrictions:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3040192  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TREASURY MINISTER PANDOLFI WARNS SENATE OF INFFLATION DANGER AND SAYS IMF LOAN TO ITALY OF HIGHEST IMPORTANCE  
**TAGS:** EFIN, ECON, IT, IMF, (PANDOLFI, FILIPPO)  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014